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TO: U.S. Department of Justices Antitrust Division

FROM: Susan Barnette, Real Estate Broker

I would like to ?weigh in? my thoughts and experiences concerning competitiveness in the real estate industry. I have been involved in this business since 1982. I have seen many changes throughout those years and the competition in this industry has never been better than it is today. Healthy competition makes for good business and the real estate industry is a model of competition that works. Today, as a matter of fact, I am competing with two other brokerages for the listing of a property. It will come down to who has the best services for the consumer and the best track record of previous business. Everyday, I must compete with other brokers for business in my area. As a matter of fact, I encourage all of my customers to interview other brokers to make sure they feel they are getting the best they can to represent them and their best interests during the process of selling their real estate. In an economy in which large, national corporations -- such as Wal-Mart and Microsoft -- dominate the marketplace, real estate stands apart. We are an industry made up predominantly of small businesses and independent contractors who represent the entrepreneurial spirit this country was founded on. Serving localized markets where we compete for business every day, fierce competition is fueled largely by the uniquely intense and personalized nature of the service we provide to our clients -- which, in turn, determines our future success through referrals and return business. A few years ago, I was competing for a listing with at least one other REALTOR (that I know of). The owners of the property chose to list with the other REALTOR. I showed the property several times, hoping I would be the REALTOR to bring the offer in on the property. My buyer customers did not buy the house and it actually expired out of the MLS. Once it had expired, the owner?s contacted me and I listed and sold the house. Did this create any animosity between us two REALTORS or the brokerages? No, we consider this ?the nature of our business?. It is competition that makes this a successful industry.

Barriers to entering the profession are low. If you are willing to take the time to learn the business in your local market, pass the state license examination and adhere to the REALTOR® code of ethics, there is nothing to stand in the way of success in this industry. I had to learn the business and pass the state licensing examination, but it is my own work ethic, commitment to professional standards and dedication to client satisfaction that determine my success. Every other month, I teach the Pre-Licensing course for two of the local colleges in my area. I teach 25+ other people what they need to know to sit for the state real estate examination. I teach these people to become my competition and I pride myself on my passing percentages.

I can remember when my MLS was 3x5 index cards. We have come a long way since then. The services that we provide through our MLS for consumer protection of property and to insure consumers rights and interests are protected, is better today than it ever has been. The MLS is a cooperative, broker-to-broker offer of cooperation and compensation that help both brokers and customers buy and sell homes. It is not a public utility, nor

should it be. The beauty of the MLS is that it allows real estate brokerages of every size to compete on a level playing field. It gives all of us access to an inventory of property listings that we are able to show and sell to our clients. (No more 3x5cards!) The MLS doesn't discriminate. All MLS members are treated equally, regardless of their size or their business model, and yet the rights of property owners and their listing brokers are respected. The rules of the MLS achieve a delicate balance between respecting the rights of listing brokers so they will continue to be willing to contribute their inventory of listings and permitting cooperating brokers the ability to show those listings and be assured of receiving compensation if they bring about a successful sale.

Please take note of the 17 August, 2005 Report LOCAL REAL ESTATE MARKET COMPETITION: EVIDENCE AND INSIGHT FROM AN ANALYSIS OF 12 LOCAL MARKETS , completed by Steve Sawyer, Associate Professor, School of Information Sciences & Technology, The Pennsylvania State University, University Park, Pennsylvania 16802. The central finding of this report was that competition in the real estate industry is alive and well!

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